<u>District III</u> 1000 Rio Brazos Rd., Aztec, NIM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

State of New Mexico

Form C-101 Permit 83767

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

LEGITI TO BIGIBE, ICE ENTER, BEEN EN,	The observation, one shall be stated in		
	2. OGRID Number 163458		
	3. API Number 30-045-34829		
5. Property Name AIRP∩RT 29.13.2	6. Well No. 113		
	Operator Name and Address ERGY OPERATING LLC 101 COLLEGE BLVD MINGTON , NM 87402		

7. Surface Location

UL - Le	t Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	8	29N	13W	D	930	N	1100	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
pasin from Land Coal (Gas)	/1023

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5485 18. Spud Date 12/15/2008	
14. Montiple N	15. Proposed Depth 1400	16. Formation Pictured Cliff's Formation	17. Contractor		
Depth to Ground water		Distance from nearest fresh water we	Distance to nearest surface water		
Liner: Synthetic Closed Loop Syste	mils thid		rilling Method: resh Water X Brine	Diesel/Oil-based Gas/Air	

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	200	170	0
Prod	7.875	5.5	15.5	1400	275	0

Casing/Cement Program: Additional Comments

A conductor string of 13-3/8" csg will be driven via a cable tool rig to a depth below the surface boulders to allow rotary drilling operations.

Proposed Blowout Prevention Program

			A-5
Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	6000	Shaeffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines [, a general permit [, or an (attached) alternative OCD-approved plan [.	Approved By: Charlie Perrin				
Printed Name: Electronically filed by Glen Papp	Title: District Supervisor				
Title: Operations Manager	Approved Date: 10/24/2008 Expiration Date: 10/24/2010				
Email Address: gpapp@synergyoperating.com	0.20				
Date: 10/16/2008 Phone: 505-325-5449	Conditions of Approval Attached				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

<u>District III</u>

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 83767

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

10.5					
1. API Number	2. Pool Code	. Pool Name			
30-045-34829	71629	ITLAND COAL (GAS)			
4. Property Code	5. Property	6. Well No.			
37440	AIRPORT	113			
7. OGRID No.	8. Operato	9. Elevation			
163458	SYNERGY OPERATING LLC 5485				

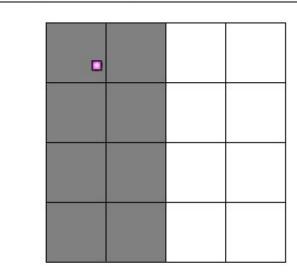
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	8	29N	13W		930	И	1100	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	To	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
107571575	ated Acres		13. Joint or Infill		14	. Consolidation (Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Glen Papp Title: Operations Manager

Date: 10/16/2008

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: David Russell Date of Survey: 10/8/2008 Certificate Number: 10201

Permit Conditions of Approval

Operator: SYNERGY OPERATING LLC , 163458 Well: AIRPORT 29-13-8 #113

30-045-34829 API:

OCD Reviewer	Condition
SHAYDEN	A complete C-144 must be submitted to, and approved by, the NM OCD for: a pit, closed loop system, below grade tank, or proposed alternative method, pursuant to NMOCD part 16.15.17, prior to the use or construction of the above applications.